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July/August 1994

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Intellectual AMMUNITION

On State and Local Issues

Potshots

■ The government deficit is the difference between the amount of money the government spends and the amount it has the nerve to collect.

SAM EWING

■ A diplomat: One who says something when he has nothing to say, or nothing when he has something to say.

■ Everything comes to those who hustle while they wait.

THOMAS A. EDISON

■ If you had your life to live over again — you'd need more money.

CONSTRUCTION DIGEST

■ It's not true that life is one damn thing after another . . . it's one damn thing over and over.

EDNA ST. VINCENT MILLAY

■ Why is a newspaper ten times more interesting when somebody across the table is reading it?

■ An appeaser is one who feeds a crocodile — hoping it will eat him last.

WINSTON CHURCHILL

■ First I want to say how deeply touched I am to be here at this campaign dinner — not, however, as deeply touched as some of you were.

■ As the last speaker on the program tonight, I feel like an Egyptian mummy: pressed for time.

HOLD THE HYPE

A Call for Eco-Sanity

Day after day we read about it in the newspaper and see it on television: The looming Global Environmental Crisis. The atmosphere is warming. The ozone layer is thinning. Chemicals in our food are causing cancer. Forests are being destroyed by acid rain. Landfills are overflowing with plastic and packaging. Eco-catastrophe, it seems, is upon us.

What's a concerned citizen to do?

The first thing we should do is: Relax. Most of these would-be environmental catastrophes are wildly exaggerated or even totally bogus. For example:

Global Warming
Satellite measurements of global temperatures have not shown any significant warming trend since 1979. A 1992 Gallup poll of meteorologists found that *82 percent* of them thought global warming didn't exist or that the available data were insufficient to predict this much-touted disaster.

Ozone Depletion
Global ozone levels have *increased*, not declined, since 1986. Ground-level ultraviolet radiation levels, which should be rising if the ozone layer is thinning, are actually falling.

Cancer
For all but the very old, cancer mortality rates in the U.S. are falling, not rising. According to former Surgeon General C. Everett Koop, "There is no food safety crisis. U.S. food supplies contain less than one quarter of one percent of the allowable intake of pesticides."

Acid Rain
An extensive 10-year study of acid rain commissioned by Congress found no evidence that acid rain is injuring forests or lakes in the U.S. or Canada. The study was produced at a cost to taxpayers of $500 million and involved hundreds of scientists, yet the environmental movement has studiously ignored its findings.

(Continued on Page 3)

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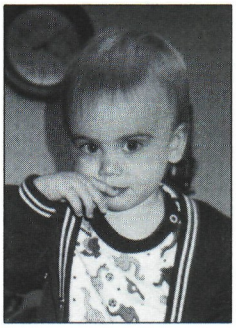
NEWS FROM THE Heartland

BY JOSEPH BAST, PUBLISHER



Joe's nephew, Kyle Ver Voort

In this issue

Every issue of *Intellectual Ammunition* is packed with information you won't find anywhere else, and this issue is no different. I was particularly struck by John O'Leary's and William Eggers' column on page 10 describing privatization efforts underway in cities across the country. The Mayors of these cities have gone well beyond the trendy slogan of "reinventing government" and are actually producing higher quality services at a lower cost for their constituents. Their efforts certainly deserve more attention than they receive in the popular press.

PolicyFax

PolicyFax, The Heartland Institute's fax-on-demand information service, has grown dramatically since the last issue of *IA*. Twenty-eight think tanks from around the country have agreed to post their research reports and commentaries on the system. Over 400 documents totalling nearly 2,000 pages are available! To use ***PolicyFax***, simply call 510/208-8000 and follow the voice prompts. Within minutes, the document you request will appear in your fax.

Limited time offer for state legislators, reporters, and editors! Between July 1 and December 1, all documents you order using your ***Policy Fax*** account are free! Use the postage-paid card in this issue to establish an account . . . and use ***PolicyFax*** at no charge for five full months!

Eco-Sanity

The Heartland Institute's newest book, *Eco-Sanity: A Common-Sense Guide to Environmentalism*, is now available at bookstores or directly from Heartland. This 320-page book is a comprehensive and authoritative guide to every major environmental issue of the day, including global warming, ozone depletion, chlorine, deforestation, and air quality. Copies of the hardbound edition are $22.95; the paperback (available only from Heartland) is $12.95. Call 708/202-3060 to order your copy, or join The Heartland Institute for $50 and get a *free* copy. (See the ad on this page.)

Publication schedule

Publication of *IA* was suspended earlier this year while we conducted a marketing study of state legislators and reporters. We discovered that many people who were supposed to be receiving *IA* were not, in fact, getting the magazine. As a result, circulation has been reduced to reach only those legislators and reporters who *request complimentary subscriptions*, think tank executives, and donors to Heartland. If you are not sure you are on the regular subscription list, call 708/202-3060 today!

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HOLD THE HYPE
A Call for EcoSanity
(continued from page 1)

Solid Waste
The nation's landfill capacity is increasing and landfills are becoming more safe as larger state-of-the-art facilities replace older ones. Waste-to-energy incineration has emerged as an economical and environmentally sound option for many communities; thanks to new regulations, incinerator emissions are cleaner than those from conventional power plants. Plastics may actually *reduce* the volume of municipal waste by displacing heavier and bulkier packaging material and by reducing food waste.

This brief summary of scientific facts and reasoning is plainly at odds with what we see in the popular media and the newsletters of environmental groups. The reasons for the differences are not difficult to understand. Publishers and television producers know that bad news and frightening predictions attract readers and viewers, and this in turn allows them to sell more advertising. This is why good news is so rarely seen in newspapers and on television, while violent murders and natural catastrophes are always the "top stories."

Environmental groups have their own reasons for hyping environmental hazards. These organizations rely on a "crisis of the month" strategy to raise funds and maintain their membership lists. To keep the money coming in, these groups mail millions of pieces of junk mail every year aimed at frightening people into making financial contributions. Thus we see our mailboxes filled with *urgent* appeals for *immediate* action to avert a new *crisis*. These fundraising pitches would not work nearly so well if they gave as much space to good news as to bad.

Personally, I am tired of all the hype and the false alarms issued by many of the largest environmental organizations. I no longer feel I can trust them to tell the truth about any of the environmental problems they bring to my attention.

In fact, according to government statistics, the environment today is cleaner than it has been in 50 years. Air and water are cleaner, there is more forestland in the U.S., and solid waste is managed more safely than at any time in history. Why haven't any of the major environmental groups reported these positive trends?

This is not to say that there are no environmental problems remaining to be solved. Many well-known species — pandas, gorillas, tigers, and others — face the possibility of extinction. Safe long-term storage of radioactive waste is a problem that needs to be solved. In some areas, cities will have to overcome NIMBY (Not in My Back Yard) resistance to new sanitary landfills. And air pollution is still a problem in some areas, such as the Los Angeles basin.

These are manageable problems, not crises that demand new bureaucracies, taxes, or regulations. They are the kinds of problems we have solved in the past, and in most cases solutions lie close at hand. Unfortunately, media hype and the scare tactics used by environmental organizations divert attention and resources away from real problems.

What the country desperately needs, if I might be so bold as to suggest it, is "eco-sanity": A sane and thoughtful approach to environmental issues that relies on reason, sound science, and a respect for the rights and ideas of others. A commitment to eco-sanity means turning away from scare tactics and relying instead on the good judgment of individual environmentalists and the general public.

Eco-sanity does not mean a more "moderate" environmentalism. It means a smarter and more responsible environmentalism and an emphasis on results — on getting the job done, not just feeling good. This is a big job requiring our best efforts. Let's not fall short because we are too busy reacting to nonexistent crises.

# # #

Joseph Bast is president of The Heartland Institute, a Chicago-based nonprofit research institute, and co-author of *Eco-Sanity: A Common-Sense Guide to Environmentalism* (Madison Books).

Solid Waste Facts

- All the garbage produced by the United States in the next 500 years would fit in a single landfill 20 miles to a side. This is no bigger than a pin point on a typical map of the U.S.
- Landfill technology has dramatically improved during the past 20 years.
- Municipal waste today is treated as carefully as hazardous wastes were treated 20 years ago.
- Overall, plastics amount to about 8 percent of municipal solid waste.
- Plastic food and drink containers amount to less than one-half of 1 percent of the total solid waste stream, less than phone books alone. Old clothes and shoes equal 11 times as much.
- Plastic reduces food waste about 1.7 pounds for every 1 pound of package; conserves energy by being less energy-intensive than other forms of packaging; and releases lots of energy when burned, making it a valuable fuel for waste-to-energy incinerators.

See pages 22-23 for publishers' addresses and phone numbers.

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Organizations

ROUTING REQUEST

New Left Background of a New Democrat Plan

The Clintons claim that their health care reform plan was developed in a spirit of objectivity and open-mindedness, but evidence suggests the outcome was pre-ordained.

In fact, there is a striking similarity between the Clintons' proposal and a plan developed in the 1970s by the Marxist-oriented Institute for Policy Studies (IPS).

IPS is the principal think tank for the radical left in America. Founded in 1963 by Marcus Raskin and Richard Barnet, the Institute was home to the more radical elements of the anti-Vietnam War movement. Raskin was indicted for conspiring to promote draft resistance. To Raskin, Marxism is one of the world's "positive social philosophies."

Barnet traveled to North Vietnam in November 1969 and spoke in Hanoi condemning U.S. "aggression." To Barnet, the Soviet invasion of Afghanistan was a defensive action.

In a September memo to friends and supporters, IPS director Michael Shuman bragged that "The election of Bill Clinton . . . has breathed new life into progressive movements across the country" and ". . . brought many of our proposals into the mainstream." Shuman was not exaggerating.

In 1976, IPS' Community Health Alternative Project drafted a model bill in coordination with Rep. Ron Dellums (D-CA). Although IPS' "Health Service Act" goes further than the Clinton's "Health Security Act" (the IPS plan plunges headfirst into socialized medicine, while the Clinton plan is an intermediate step toward total state control), they share many features.

■ Both plans create a new federal entitlement program on the premise that health care is an intrinsic "right."

There is little new about current efforts to put government in charge of health care; their roots are in the 1970s.

■ Each envisions a National Health Board commanding the national health system and setting mandatory standards for the entire country.

According to the IPS plan, the national health board shall "formulate a national health plan and budget," establish "national guidelines and standards," and determine limits on the "types and quality of health services. . ." Rather than patients and doctors deciding what is best, IPS stipulates that services will be refused if a ". . . review team . . . [acting] according to guidelines established by the National Health Board, has determined that such services are unnecessary or are no longer required." Sound familiar?

■ The Clintons propose a network of regional health alliances that would act as collective bargaining agents for consumers and businesses. These government monopolies — originally named health insurance purchasing cooperatives — are not a new concept. In 1984, IPS activist Gar Alperovits and Jeff Faux, now head of Robert Reich's labor-financed Economic Policy Institute, discussed the IPS/Dellums program in their book, *Rebuilding America*. They explained how "several communities would join together to form districts to support jointly facilities that are too expensive for one community." The White House practically parrots this argument when explaining its health alliance system.

■ Both plans rely on job-destroying payroll taxes for financing. Clintons: the system "should spread the costs and burdens of care across the entire community, basing the level of contribution [taxes] required of consumers on ability to pay." IPS: health care "should be financed by progressive taxation of individuals and corporations."

■ Both plans mandate taxpayer funding of what the IPS plan calls "safe and comfortable abortion services at any time."

Finally, what most unites the Clinton and IPS proposals is the driving force of egalitarianism. The Clintons seek "equality of care" and believe a "tiered system" must be prevented. IPS seeks to eliminate "differential care of registrants according to social status."

No one knows what occurred at Hillary Clinton's health care task force meetings, but one thing is certain: The outcome is not original. There is nothing new about Bill Clinton's proposal for putting Washington in charge of health care.

Capital Research Center

Information on this page was provided by Robert V. Pambianco, editor of *Organization Trends*, a publication of the Capital Research Center. For more information, contact Capital Research Center, 727 15th Street NW, Eighth Floor, Washington, DC 20005-1599; phone 202/393-2600.

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Education

ROUTING REQUEST

Only Choice Can Avoid State-Established Religion

Our Established Church

The words "separation of church and state" are often quoted as if they appear in the Constitution. They do not. What does appear in the First Amendment is "Congress shall pass no laws respecting an establishment of religion or prohibiting the free exercise thereof. . ." It is the interpretation of these words that forms the basis of our laws regarding the constitutionality of various church/state issues.

The idea of an established church was well known in each of the original thirteen colonies, and most had one. All were taxed to support the established religion, whether they were of the congregation or not. Freedom meant that you were able to build a church and worship in a different religion if you so chose, but only at your personal and additional expense. Tax support was reserved exclusively for the established religion.

The framers of the constitution, knowing that all thirteen colonies would be unable and unwilling to settle upon a single religion, drafted the First Amendment to make sure that the government would never attempt to establish one. The plan has worked well, but for one glaring exception.

We still ended up with an established church. It is the public school system.

It works just like the colonial established churches. All are taxed to support it, though not all use it. You are free to choose another school system, but you must pay for the privilege.

Worse, this established church *demands* that everyone be a worshipper. All are required to attend services, either at the public school for free or at the private school for an extra fee. If the kids don't worship somewhere, the parents can be arrested.

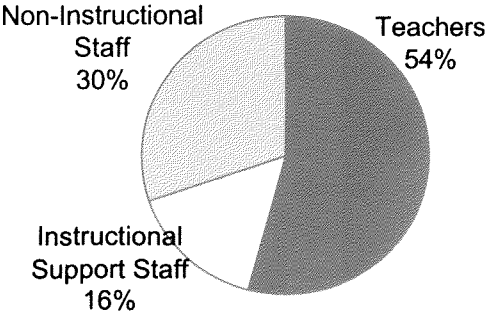
The public school gets away with establishing itself as the official religion because it does not mention God or any other supreme being. Depending on the time and the place some public schools promote a generic set of values described as secular humanism. Others see their mission as value neutral, placing all decisions in an atmosphere of atheism. Either is clearly a form of morality. Both are ways of deciding issues outside the structure of a theistic religion, issues that many people find necessary and helpful to decide *within* the structure of theistic religion.

Perhaps some day soon our Supreme Court will face this issue and defend school choice as the only effective way to break this monopolistic manipulation of the country's morality. Until then it is quite clear that we will continue to have an established religion in this country. And its church is the public school.

Accountability: What Exactly Does It Mean? According to The Center for Education Reform, there appears to be widespread agreement that "accountability" means at least this: "the need for agreed-upon, easily understandable, readily adaptable measures of how well our schools are doing, and how student achievement in the U.S. today, from district to district and state to state, compares with foreign competitors and our own historical record. . . . [S]tandards should not be federally mandated, and . . . they should be meaningful for the workplace and for international comparisons." Now, is that too much to ask?

Source: Jeanne Allen, "A Primer on School Accountability," January 3, 1994, The Center for Education Reform.

Public School Staffing, 1990



CENTER FOR REBUILDING AMERICA'S SCHOOLS

Information on this page was provided by Thomas Hetland, FSC, Director of the Center for Rebuilding America's Schools. He is a member of the Christian Brothers and was for twenty years a high school teacher and administrator. For more information, contact Thomas Hetland, the Center for Rebuilding America's Schools, 800 East Northwest Highway #1080, Palatine, IL 60067; phone 708/202-3060, fax 708/202-9799.

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Environment

ROUTING REQUEST

EPA Endangers State & Local Governments, Property Owners

Clean Water Act Reform

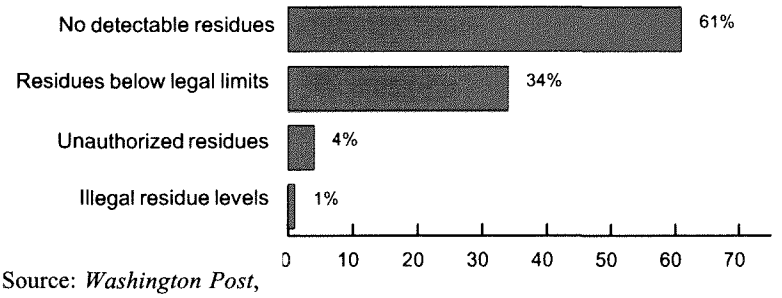
Proposals to amend the Clean Water Act will do little to ease the unfunded mandate burden, nor are they likely to adopt rational risk management strategies.

The House and Senate bills are remarkably similar to the Clinton Administration's own proposal, which creates a series of new unfunded mandates. It also includes provisions requiring increased regulation of non-point source pollution, such as agricultural runoff.

The EPA estimates that the Clinton proposal could double the costs of implementing federal clean water laws, from $35 billion to over $70 billion per year. Nationwide, municipalities will experience increased costs of $6 billion to $8.6 billion per year.

The EPA also has estimated the potential benefits of the Clinton Clean Water Act proposal and found them to be no higher than $6 billion per year. Moreover, nearly 80 percent of these purported benefits are derived from survey data in which individuals were asked, hypothetically, how much they would pay to achieve "fishable and swimmable" water quality in local rivers. This approach, known as contingent valuation, is of dubious validity. The EPA itself was forced to acknowledge that the benefits may have been grossly overestimated.

Pesticide Residues at Harvest



Source: *Washington Post*, December 14, 1989

Endangered Species and Private Property

For years the U.S. Fish and Wildlife Service has threatened property owners with criminal prosecution for developing land classified as endangered species habitat. On March 11, the United States Court of Appeals for the District of Columbia ruled that such actions were never authorized by Congress. Regulation preventing habitat modification on private land "was neither clearly authorized by Congress nor a 'reasonable interpretation' of the statute," according to the Court.

Enforcement of the Endangered Species Act often has had disastrous consequences. Last fall, homeowners in Riverside County, California, were prevented from clearing firebreaks to protect their homes. The Fish and Wildlife Service was concerned that such actions might disturb the habitat of the Stephens kangaroo rat. As a result, several landowners lost their homes to the fires. (Incidentally, the rat's habitat was destroyed by the fires as well.)

The Endangered Species Act also dramatically reduces land values. Private landowners whose land is identified as potential habitat have previously been barred from making productive use of the land. As a result, the land becomes far less valuable. This has an additional impact on local communities that rely upon property assessments for revenue.

Endangered species protection laws have the effect of punishing property owners for attracting threatened species to their land. Moreover, many laws limit the ability of private citizens to profit from the nurturing of endangered species populations. Many animals have tremendous economic value, from use in zoos to valuable animal products. If the goal is animal conservation, government policies should not stand in the way of allowing the protection of animals to be a profitable enterprise.

CEI

Information on this page was provided by Jonathan Adler, director of environmental studies at the Competitive Enterprise Institute, 1001 Connecticut Avenue NW #1250, Washington, DC 20036; phone 202/331-1010, fax 202/331-0640

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Families

ROUTING REQUEST

Public Policy Too Often Undermines Familes

Divorce Makes Delinquents

Does parental divorce foster delinquency? Teenagers whose parents divorce do often find themselves in juvenile court. An analysis of a recent nationwide survey of adolescents revealed "higher levels of delinquency" among adolescents from broken homes than among those from intact families. The survey also showed that adolescents who enjoy close relationships with their parents and "spend more time with their family" are less inclined towards delinquency than those who suffer weak parent-child relationships.

Source: Janet L. Lauritsen, "Sibling Resemblance in Juvenile Delinquency: Findings from the National Youth Survey," *Criminology* 31 (1993): 387-406.

Welfare Undermines Families

By encouraging illegitimacy and discouraging marriage, welfare programs are killing poor families in North America. Recent studies in Canada and the United States track the vicious circle that binds together welfare, illegitimacy, and divorce. In Canada, an increase in welfare benefits of a mere $100 to $200 per year has been shown to increase by 5 percent the odds that a poor woman will become a single parent. In the U.S., illegitimacy continued to rise even when the maximum welfare rates were reduced in the 1980s, quite possibly because minimum rates continued to rise. By capping maximum rates, legislators may discourage welfare mothers from bearing babies for cash, but the minimum rates continue to enable young women to have children without marrying the fathers.

Sources: Douglas W. Allen, "Welfare and the Family: The Canadian Experience," *Journal of Labor Economics* 11 (1993): 5201-5223; Charles Murray, "Welfare and the Family: The U.S. Experience," *Journal of Labor Economics* 11 (1993): 5224-5262.

No-Fault Failure

A recent analysis of nationwide data comparing women who had suffered divorces in the late sixties to women who had suffered divorces in the eighties found that the economic consequences "are as severe today as in the 1960s and 1970s." Both groups lost almost half their income upon divorce. Neither the greater labor force participation nor the lower fertility rate of women in the 1980s protected these women from "the severe costs of marital disruption."

Source: Pamela J. Smock, "The Economic Costs of Marital Disruption for Young Women Over the Past Two Decades," *Demography* 30 (1993): 353-370.

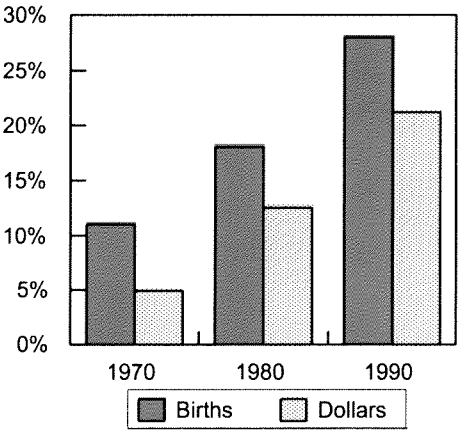
Working Mothers — The Real Health Care Crisis

A recent study analyzing national data found that "a mother's working in the labor force negatively affects the health of children" because working mothers are unable to devote adequate time to their children's health. A second study found that employed women who depend on day care are more likely "to seek medical care for [their children's] symptoms that are minor and can be managed with family initiated care." The study finds that "the demands of employment rather than the level of illness lead employed women to seek medical care before using common maternal care practices."

Sources: Sarah McCue Horwitz, Ralph I. Horwitz, and Hal Morgenstern, "Maternal Employment, Maternal Care, and Pediatric Visits for Minor Acute Illnesses," *Journal of Clinical Epidemiology* 46 (1993): 981-986; Gong-Soong Hong and Shelley I. White-Means, "Do Working Mothers Have Healthy Children?" *Journal of Family and Economic Issues* 14 (1993): 163-181.

Subsidizing Illegitimacy

Percentage of illegitimate births and billions of dollars spent on aid to families with dependent children, by year



THE ROCKFORD INSTITUTE

Information on this page was provided by Bryce J. Christensen, editor of *New Research*, a monthly supplement to *The Family in America*, published by The Rockford Institute. For more information, contact Allan Carlson or Dr. Christensen at The Rockford Institute, 934 North Main Street, Rockford, IL 61103, phone 815/964-5053, fax 815/965-1826.

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Health Care

ROUTING REQUEST

Stealth Reform

What is the single most popular idea for health care reform in Congress today?

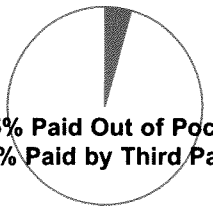
It's not the President's plan. It's not the Cooper bill or any of the other variations of "Clinton Lite." It's not even a single-payer system.

It's Medical Savings Accounts (MSAs). There are currently at least 16 bills before Congress, with nearly 200 co-sponsors, calling for some type of MSA system. Support for MSAs cuts across party and ideological lines, with Democrats as well as Republicans, liberals as well as conservatives, sponsoring one or more proposals.

While the media remains focused on the daily ups and downs of the Clinton plan, MSAs may be the "stealth" health care reform, slipping through under the radar.

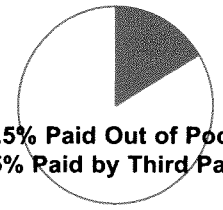
Who Pays the Bills?

Hospitals



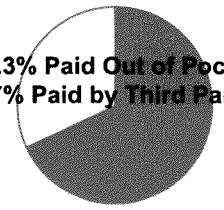
4.5% Paid Out of Pocket
95.5% Paid by Third Parties

Physicians



16.5% Paid Out of Pocket
83.5% Paid by Third Parties

Drugs



68.3% Paid Out of Pocket
31.7% Paid by Third Parties

Arizona Latest State to Pass MSAs

Congress may or may not pass MSAs this year, but state legislatures are not waiting for Congress to act. Last month, Arizona became the latest state to pass legislation setting up MSAs. While the MSA exemption applies only to state taxes, the bill establishes a valuable precedent for Congress. Arizona follows in the footsteps of Colorado, Missouri, Michigan, and Mississippi.

Crisis — What Crisis?

More good news on the health care inflation front: Prices for medical goods and services are rising more slowly than at any time in nearly two decades. According to the Bureau of Labor Statistics, medical care prices rose just 5.4 percent last year, the smallest increase since 1973. At the same time, the average insurance premium increase in 1994 will be only 5.6 percent, down from 8.1 percent in 1993.

Source: "The Economics of Rising Health Care Costs," *Blue Business Review*, Blue Cross and Blue Shield Association, March 1994.

The Coming Health Care Bureaucracy

President Clinton has ridiculed opposition claims that his health care plan involves a big new government bureaucracy. However, a new report from the Federation of American Health Systems concludes that the Clinton plan would require 98,146 new federal, state, and health alliance employees to run the system. The study, conducted for FAHS by Multinational Business Services Inc., says that the Clinton plan would "substantially expand federal and state regulation of health insurance and health care delivery systems, and would significantly increase the size of agencies at both the federal and state level." Paying the salaries of these new employees would cost at least $3.9 billion per year.

Source: "The Regulatory Requirements of the Health Security Act," Multinational Business Services, Inc., March 1994.

New Study: Clinton Plan Will Cost Jobs

A new study released by the American Enterprise Institute concludes that the Clinton plan's employer mandate will lead to the loss of between 870,000 and 1.5 million jobs. Hardest hit will be the restaurant and bar industry, which will absorb nearly one-third of the job losses. Other hard-hit industries will be retailing, personal services, and household workers. The report also concludes that many other workers would suffer a reduction in wages as a result of the mandate.

Source: June and David O'Neill, "The Employment and Distributional Effects of Mandated Benefits," American Enterprise Institute for Public Policy Research, February 1994.

CATO INSTITUTE

Information on this page was provided by Michael D. Tanner, director of health and welfare studies for the Cato Institute. For more information, contact the Cato Institute, 1000 Massachusetts Avenue NW, Washington, DC 20001; phone 202/842-0200, fax 202/842-3490.

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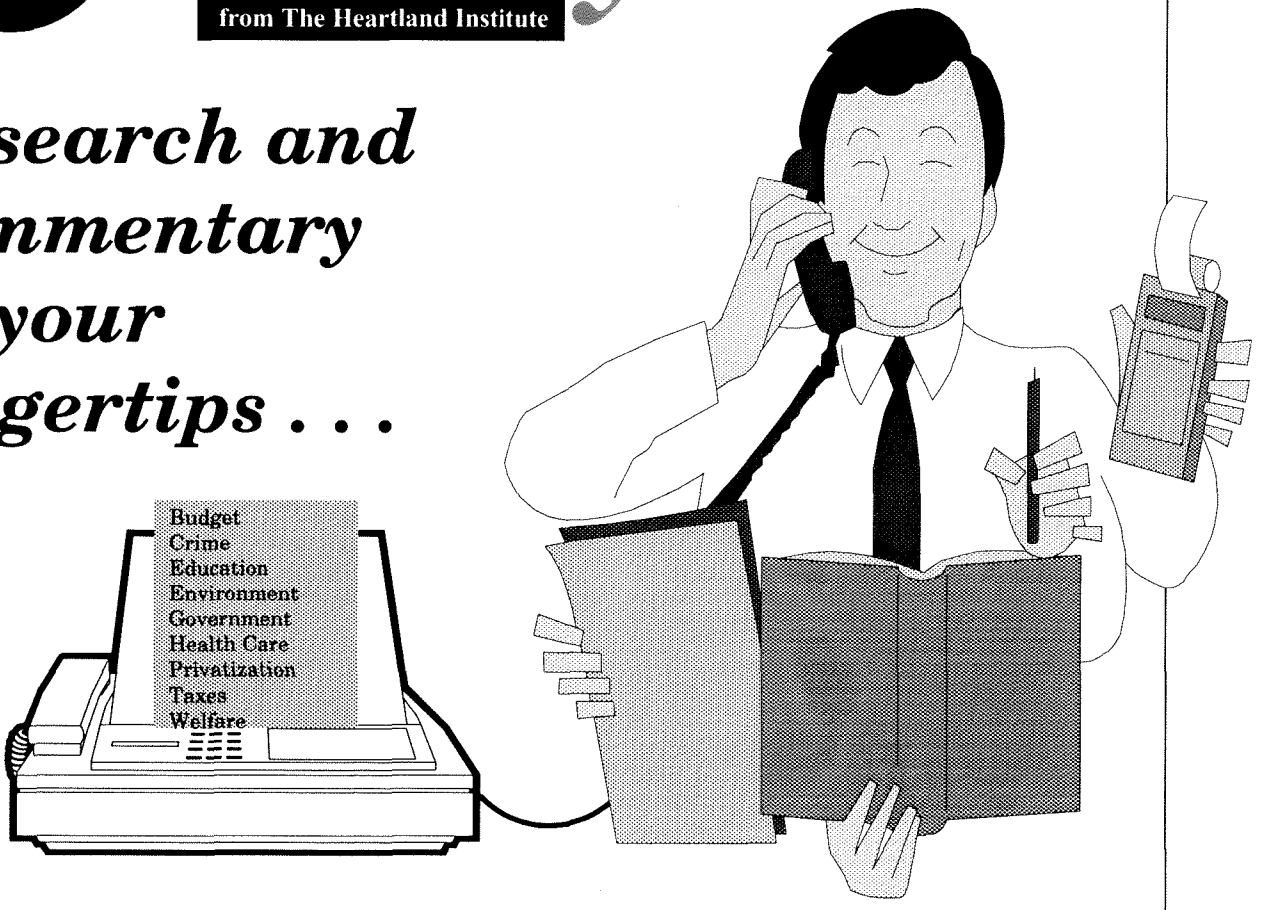

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Privatization

ROUTING REQUEST

Cities Join the Privatization Bandwagon

Indianapolis

Since taking office in 1992, Mayor Stephen Goldsmith has moved 50 services into the competitive marketplace, saving the city $28 million a year. The two most prominent services opened up to competition in 1993 were trash collection and the Advanced Wastewater Treatment plant. Savings from competitively contracting these two services alone will come to nearly $80 million over a five-year period.

Cost Savings from Competition

City	Cost Savings
Indianapolis	
Printing	47%
Microfilm	61%
Chuck Hole Filling	25%
Philadelphia	
Water Dept Billing	50%
City Hall Custodial	33%
Street Maintenance	50%
Chicago	
Custodial Services	33%
Cable Casting	83%

Source: Reason Foundation

Philadelphia

Under Democratic Mayor Edward Rendell, thirteen services have been privatized since October 1992, for a projected five-year savings of $18 million. Another 30 candidates for competition have been identified.

Most recently privatized was the city's nursing home, a large facility that had over 500 empty beds. By privatizing the home, the city doubled the service while saving $4 million annually. And, after being targeted for privatization, management at the city's sludge treatment plant came back to the mayor with a pledge to cut one-third from its $24 million operating budget.

Chicago

Since taking office in the spring of 1989, Mayor Richard M. Daley has privatized about 25 services. Services privatized in 1992 and 1993 include sewer maintenance, window washing, salvage of city equipment, and health care services at selected clinics.

"When government tries to be everything to everybody, it becomes nothing to anybody," says the mayor, who has turned over many ancillary services, such as job training and gang intervention, to community groups.

Los Angeles

During the 1993 mayoral campaign, Richard Riordan proposed privatizing a host of city services, including trash collection and the Los Angeles International airport. Since taking office as mayor, Riordan has announced pilot projects to privatize six services in 1994, including parking enforcement, golf courses, workers compensation claims processing, and trash collection in one of the city's five districts.

New York

Newly elected mayor Rudolf Giuliani also has pledged to improve the efficiency of city services through privatization and plans to reduce the municipal workforce by over 15,000 by June 1995. The Mayor's first budget was released in February 1994, and it calls for opening up numerous services to private sector competition, including street resurfacing and the water pollution control plants. The proposal also calls for numerous asset sales, including 85 of the city's 500 gas stations, WNYC (the city-owned radio and television stations), city-owned land, and parking garages. The proposals could save the city $78 million.

Cleveland

Elected to a second term in 1993, Michael R. White created a Council on Competitiveness in early 1994 to explore ways to open up city hall to competition from private firms. Mentioned as possible targets are golf courses, parking lots, cemeteries, and the convention center.

White says someone needs to stand up for the taxpayers. "While we have 8,000 employees, there are 500,000 Clevelanders, and they pay for this," said the mayor. "I think that somebody, somewhere ought to stand up for them, since they're paying the tab."

Reason Foundation

Information on this page was provided by John O'Leary and William Eggers of the Reason Foundation. For more information, contact the Reason Foundation, 3415 South Sepulveda Boulevard, Suite 400, Los Angeles, CA, 90034; phone 310/391-2245, fax 310/391-4395.

Privatization Hotline 310/391-6525

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Taxes

ROUTING REQUEST

State Tax Receipts Jump 4.9% in 1993

Average State Tax Growth vs. Personal Income Growth
1992-1993

	Taxes Relative to Personal Income	Taxes per Household
Alabama	6.8%	$3,097
Alaska	38.1	11,223
Arizona	6.5	3,689
Arkansas	3.1	3,285
California	2.0	4,451
Colorado	22.9	3,417
Connecticut	7.4	5,393
Delaware	1.0	5,471
Florida	6.2	2,965
Georgia	4.6	3,225
Hawaii	-1.8	7,559
Idaho	-5.3	3,840
Illinois	-1.0	3,308
Indiana	1.9	3,325
Iowa	6.9	3,782
Kansas	12.7	3,433
Kentucky	-0.7	3,755
Louisiana	-0.4	2,898
Maine	1.0	3,593
Maryland	6.8	3,957
Massachusetts	1.0	4,499
Michigan	-0.9	3,362
Minnesota	4.2	4,884
Mississippi	26.8	3,554
Missouri	8.6	2,891
Montana	-3.3	3,123
Nebraska	-8.1	2,995
Nevada	2.4	3,994
New Hampshire	2.6	2,103
New Jersey	-1.7	4,638
New Mexico	5.1	4,399
New York	1.3	4,750
North Carolina	-3.3	3,509
North Dakota	13.9	3,725
Ohio	3.0	3,135
Oklahoma	4.8	3,450
Oregon	0.1	3,137
Pennsylvania	-4.1	3,587
Rhode Island	4.5	3,559
South Carolina	1.7	3,192
South Dakota	4.6	2,386
Tennessee	13.8	2,848
Texas	0.5	2,841
Utah	2.8	3,936
Vermont	-2.2	3,585
Virginia	-1.9	3,024
Washington	-1.5	4,526
West Virginia	-4.0	3,475
Wisconsin	7.0	4,200
Wyoming	4.7	4,241
District of Columbia	-4.5	10,456
State Average	**3.7%**	**$3,737**

States increased total tax collections an inflation-adjusted 4.9 percent from FY 1992 to FY 1993, the largest annual increase since 1985. From FY 1992 to FY 1993, state tax collections grew 3.7 percentage points (1.7 times) faster than personal income.

Alaska (a special case because of oil drilling) saw the highest tax growth relative to personal income growth, followed by Mississippi, Colorado, North Dakota, and Tennessee. In contrast, Nebraska, Idaho, Pennsylvania, West Virginia, and Montana constitute the top five states where personal income grew faster than state taxation. (If Washington, D.C., were a state, it would rank third.)

In 1994, the following states will lay title to the highest tax rates in specific categories:

- *Individual income tax*: California and Montana, with top rates of 11 percent. (Massachusetts has a 5.95 percent rate, but levies a 12 percent rate on interest, net capital gains, dividends for state residents, and state business income earned by nonresidents.)
- *Corporate income tax*: Pennsylvania, with a single rate of 12.25 percent.
- *General sales tax*: Mississippi, Nevada, and Rhode Island, with a rate of 7 percent.
- *Gas tax*: Connecticut, at 29 cents per gallon.
- *Cigarette tax*: Hawaii, at 60 cents per pack. (Washington, D.C. has a levy of 65 cents per pack.)

Based on state revenue collections, Alaskans have the highest average state tax burden per household, at $11,223, followed by Hawaii ($7,559), Delaware ($5,471), Connecticut ($5,393), and Minnesota ($4,884). If Washington, D.C. were a state, it would rank second, with a per-household tax burden of $10,456. Residents of New Hampshire have the lowest average state tax burden per household, at $2,103, followed by South Dakota ($2,386), Texas ($2,841), Tennessee ($2,848), and Missouri ($2,891).

TAX FOUNDATION

Information on this page was provided by Stephen Gold, director of communications at the Tax Foundation. For more information, contact the Tax Foundation, 1250 H Street NW, Suite 750, Washington, DC 20005-3908; phone 202/783-2760, fax 202/942-7675.

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Welfare

ROUTING REQUEST

Losses Mount in the War on Poverty

The Crisis of Illegitimacy

In 1991, 29.5 percent of all American children were born out of wedlock, up from 7.7 percent in 1965 when the War on Poverty began. The out-of-wedlock birth rate for whites in 1991 was 21.8 percent. For blacks, the figure was 67.9 percent.

Source: National Center for Health Statistics.

Welfare's Role

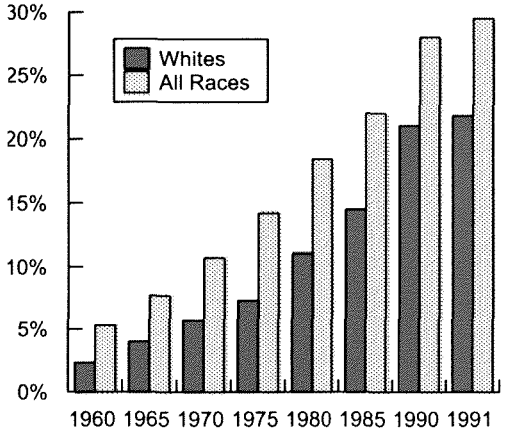
Research by Dr. June O'Neill of Baruch College in New York City has found that the dollar value of monthly welfare benefits in a state has a dramatic effect on whether women will have children out of wedlock. Holding constant a wide range of other variables (such as income, parental education, and urban and neighborhood setting), O'Neill found that a 50 percent increase in the monthly value of AFDC and Food Stamp benefits led to a 43 percent increase in the number of out-of-wedlock births.

The study also found that higher welfare benefits increased the number of women who left the labor force and enrolled in welfare. A 50 percent increase in monthly AFDC and Food Stamp benefit levels led to a 75 percent increase in both the number of women enrolling in AFDC and the number of years spent on AFDC. In other words, increases in benefits will cause dramatic expansion of welfare caseloads.

Source: M. Anne Hill and June O'Neill, *Underclass Behaviors in the United States: Measurement and Analysis of Determinants*, City University of New York, Baruch College, August 1993; research funded by Grant No. 88ASPE201A, U.S. Department of Health and Human Services.

Illegitimate Births

Since 1960, illegitmate birth rates have increased more than 400 percent.



Intergenerational Dependence

The same study also found that welfare dependence is passed from one generation to another. With all other socioeconomic variables held constant, being raised in a single-parent AFDC family doubled the probability that a young woman would drop out of school and more than doubled the probability a woman would give birth to a child out of wedlock. Being raised on welfare tripled the number of years that a woman would receive AFDC as an adult.

Family Breakdown Fuels Crime

Finally, the O'Neill study showed that being raised in a single-parent family has a dramatic effect on the criminal activity of young black men. Young black men raised in single-parent families were twice as likely to engage in criminal activities when compared to black men raised in two-parent families, even after holding constant a wide range of variables. Growing up in a single-parent family in a neighborhood with many other single-parent families on welfare triples the probability that a young black man will engage in criminal activity.

Single Parenthood Linked to Child Abuse

A national survey shows that single parents were 70 percent more likely to engage in severe violent activity against their children than were parents in two-parent homes. Severe violence included activities such as beating the child, burning or scalding the child, or threatening the child with a knife or gun. Studies in other countries also have found higher rates of child abuse in single-parent homes.

Source: Richard J. Gelles, "Child Abuse and Violence in Single-Parent Families: Parent Absence and Economic Deprivation," *American Journal of Orthopsychiatry*, October 1989.

Information on this page was provided by Robert Rector, policy analyst for social, welfare, and family issues at The Heritage Foundation. For more information, contact The Heritage Foundation, 214 Massachusetts Avenue NE, Washington, DC 20002, phone 202/546-4400, fax 202/544-2260.

The Heritage Foundation

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RESEARCH REPORT

Summaries of Research on State and Local Public Policy

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BUDGET

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Budget Balancing How-To. Total state spending more than doubled between 1980 and 1991; per-person, inflation-adjusted state spending increased more than 40 percent over that period. *Ways out*: constitutional or statutory tax and expenditure limits; super-majority requirements for tax increases; strengthening line-item vetos; measures to control public sector pay; privatization. Tax & Fiscal Policy Task Force, "Strategies for Balancing State Budgets," April 1994, American Legislative Exchange Council.

CRIME

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An Answer to Prison Overcrowding. "The most effective reform would be to return prisons to their primary mission of incapacitating violent criminals." *Specifics*: revise or repeal mandatory minimum sentences for consensual offenses; tighten parole standards; toughen laws aimed at repeat violent offenders. David B. Kopel, "Prison Blues: How America's Foolish Sentencing Policies Endanger Public Safety," *Policy Analysis No. 208*, May 17, 1994, Cato Institute.

Fight Crime with the Private Sector. Government agencies should make better use of the private sector to apprehend criminals, prosecute criminal cases, administer bail, supervise parole, operate prisons, and employ prisoners serving their sentences. *Private-sector results*: More than 97 percent of criminal defendants who skip town while on bail are found by their private bail bondsmen within a year of their escape. Morgan O. Reynolds, "Using the Private Sector to Deter Crime," *NCPA Policy Report No. 181*, March 1994, National Center for Policy Analysis.

How Florida Can Get Crime Under Control. Florida suffers from the highest violent crime and property crime rates in the country. The state must focus on incarcerating chronic violent offenders more often and for longer periods. *Some recommendations*: adopt truth-in-sentencing and increase the time actually served by violent offenders; toughen juvenile sanctions to deter non-violent, first-time offenders; incarcerate chronic, violent juvenile offenders; enforce speedy trial requirements. Mary Kate Cary, "Eleven Steps to a Safer Florida: How to Stop the Violent Crime Epidemic," *Backgrounder No. 12*, 1994, James Madison Institute.

Uncommon Wisdom on Gun Control. "[F]irearms are nowhere near the root of the problem of violence. . . . It is foolish to let anything ride on hopes for effective gun control. As long as crime pays as well as it does, we will have plenty of it, and honest folk must choose between being victims and defending themselves." Daniel D. Polsby, "The False Promise of Gun Control," *The Atlantic Monthly*, March 1994.

Uncommon Wisdom II. "Policy makers who seek to enact gun control measures would be well-advised to focus on goals such as increasing responsible gun ownership so as to reduce domestic violence and accidental deaths, reducing the risk of guns being in-home health hazards to children or others, targeting underclass areas where gun crimes and random violence seem to occur most frequently, and improving the criminal justice system to reduce fears of crime by increasing certainty of punishment." Charles W. Dean, "Gun Control's Prospects," *Carolina Journal*, February/March 1994, The John Locke Foundation.

Gun Control Measures Miss Target. Gun registration and cooling-off periods largely affect only the *legitimate* market for weapons: hunters and people who want guns for self-protection. The best "gun control" for the *illegal* market is to impose a stiffer punishment on criminals who use guns for criminal ends. Gary S. Becker, "Stiffer Jail Terms Will Make Gunmen More Gun-Shy," *Newsletter*, Spring 1994, The Hoover Institution.

> In 1981, 22 percent of federal prisoners were drug offenders; by 1990, nearly 60 percent were. The number of adults imprisoned for drug offenses more than tripled from 1986 to 1991.
>
> *Cato Institute*

ECONOMIC DEVELOPMENT

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Stadiums and Sports Improper Economic Development Tools. It is widely believed by policy makers across the country that sports teams and stadiums have a significant positive effect on economic growth. Economist Robert Baade

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conducted an exhaustive analysis of all 36 U.S. metropolitan areas that hosted professional baseball, football, basketball, and hockey teams between 1958 and 1987. *He concludes*: "The findings are particularly clear in suggesting that public funding of professional sports stadiums is not a sound civic economic investment." Robert A. Baade, "Stadiums, Professional Sports, and Economic Development: Assessing the Reality," *Heartland Policy Study No. 62*, April 4, 1994, The Heartland Institute.

Why Government and Economic Development Don't Mix. (1) State-directed economic development projects always look good because the benefits are visible; they don't work because the costs are hidden. (2) Even if they could work, it's not politically possible to limit such efforts to projects that will succeed. (3) Economic development officials can't say "no": they will always find some superficial justification for every project. (4) Capitalism — the real engine of economic growth — will die if the state is given economic development authority. Bill Styring, "The 'EcoDevo' Gang Doesn't Shoot Straight," *Indiana Policy Review*, April/May 1994, Indiana Policy Review Foundation.

EDUCATION

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California Should Target County Education Bureaucracies. The State of California is home to 58 county offices of education, which consume over $1.5 billion a year helping districts meet state and federal regulatory requirements. *For example:* the San Diego County Office of Education has 798 permanent employees. Only 158 are teachers — and many of these don't teach. K.L. Billingsley, "Reading, Writing, and Bureaucrats," *National Review West*, March 7, 1994, National Review/ The Claremont Institute.

Designing an Educational Voucher System. A $500 state-funded voucher made available to all Minnesota public and private primary school students would (a) increase private school enrollments by 26 percent; (b) cause a decline in public school enrollments of 3.5 percent; (c) cause a 0.6 percent decline in public primary school budgets; (d) cut state costs for primary school education by .35 percent; and (e) cut local property taxes for primary education by 3.5 percent. Stephen A. Hoenack, "Alternative Designs of an Educational Voucher System in Minnesota," February 1994, Center of the American Experiment.

According to the Organization for Economic Cooperation and Development, the U.S. is the only one of 19 industrialized countries with a higher percentage of non-teaching than teaching staff in education. Some 2.6 percent of the American workforce are teachers; 3 percent are *non-teaching* education bureaucrats.

How Can More Money be the Answer? According to the U.S. Department of Education, the average 1990-1991 Catholic school tuition was less than $1,800 — and 95 percent of Catholic high school students graduate. The average cost per student at a public school was $5,200; the national public school graduation rate is just 71 percent. A 1990 study of the New York City Public Schools found that just 33 cents of every education dollar reached the classroom; in Milwaukee it was 26 cents. Angela Henkels, "Truth in Spending: The Cost of Not Educating Our Children," March 19, 1994, The Center for Education Reform.

How About Giving *Teachers* Choice? Exempting Michigan teachers from the state's Public Employment Relations Act — that is, giving individual teachers the right to choose whether or not to be represented by the union — would improve the relationship between public school teachers and the parents and school boards who employ them. It also would help address the strike issue. *Facts:* There was only one strike by government employees in Michigan between 1958 and 1964. Then public employee strikes were made illegal and collective bargaining made mandatory in 1965. Between 1965 and 1980, there were 759 strikes by government employees. Joseph P. Overton, "The *Other* Educational Choice," *Viewpoint*, April 4, 1994, The Mackinac Center.

Indiana Public School Choice Program Doesn't Count. Indiana's "Select Schools" program doesn't count as educational choice. Not only does the program fail to establish school autonomy, but it "gives parents the right to choose only from IPS schools and even that choice is limited . . . This is analogous to telling a consumer that you may shop anywhere you'd like as long as you stay in Indianapolis and only choose from the department stores of a particular chain owned by the same corporation." Garett Wright, "Why Indy's 'Select' Schools Aren't," *Indiana Policy Review*, April/May 1994, Indiana Policy Review Foundation.

It's the System, Stupid! Years of reform efforts — specialty schools and desegregation, school effectiveness plans, school-based management, K-12 integrated curricula, school-to-work curricula, and more — have failed to improve the Milwaukee Public Schools. More money hasn't worked either; inflation-adjusted spending increased 82 percent since 1973, while student achievement and graduation rates plummeted. *What's needed*: serious reform, which "must produce accountability for results by shifting control from MPS to those it purports to serve." Susan Mitchell, "Why MPS Doesn't Work: Barriers to Reform in the Milwaukee Public Schools," January 1994, Wisconsin Policy Research Institute.

Outcome-Based Education Not What it Seems. OBE once referred to academic standards and measures that made a direct connection between what children were being taught and whether they were learning. Today, OBE has little to do with academic achievement. Reformers and parents interested in school improvement should evaluate OBE proposals carefully. "Outcome-Based Education: A Tale of Two Definitions," 1994, The Center for Education Reform.

Private Voucher Program for California? Since voters in 1993 defeated a n initiative that would have provided state support for tuition vouchers, Californians who supported the measure may want to find satisfaction in the private sector. Privately funded voucher programs already operate in 12 U.S. cities, enabling over 5,000 low-income children to attend

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their schools of choice. Janet R. Beales, "School Voucher Programs in the United States: Implications and Applications for California," *Policy Study No. 172*, January 1994, Reason Foundation.

What They Say and What They Do. Congressional sponsors of President Clinton's education reform proposal have resisted amendments to give taxpaying parents school choice. But they appear to have no qualms about exercising choice themselves. In a survey to which 77 percent of the Senate and 71 percent of the House responded, 44 percent of Senators and 30 percent of Representatives acknowledged that they have sent their children to private schools. *By comparison*: Only 9.5 percent of U.S. school-age children nationwide are in private schools. Allyson M. Tucker and William F. Lauber, "How Members of Congress Exercise School Choice," *F.Y.I.*, February 1, 1994, The Heritage Foundation.

State-by-State School Reform Update. Statewide public school choice: 11 states. Intra-district only public school choice: 3 states. Charter schools: 8 states. Private school choice, either publicly funded or through private scholarship programs: 14 states. Accountability reforms: 8 states. Private contracting for administrative and/or education services: 17 states.
The Center for Education Reform

What Exactly Did Michigan Do? (A) replace locally determined tax rates with a statewide classified property tax system; (b) direct property taxes away from the localities in which they're raised and into a state fund for redistribution through a school aid allocation formula; (c) establish a per-pupil minimum spending level of $4,200; (d) make it more difficult for localities to choose to spend more than $6,500 per pupil; (e) make individual school districts responsible for teacher retirement funds and Social Security, previously funded by the state. Paul D. Ballew, Richard H. Mattoon, and William A. Testa, "School reform and tax reform: a successful marriage?" *Chicago Fed Letter*, May 1994. Contact the Federal Reserve Bank of Chicago, Public Information Center, P.O. Box 834, Chicago, IL 60690-0834.

Why Education Producers Oppose Choice. A New Jersey survey of education producers (teachers, principals, and school board members) and consumers (parents and high school students) reports overwhelming support for educational choice among consumers and much less support among producers. *Why the opposition*? (1) Education producers do not understand the connection between choice and quality. (2) Education producers believe parents will choose schools for the wrong reasons — because they are "close to home," for example. (3) Education producers believe education is a zero-sum "power game"; and if parents get more power, producers will have less. Margaret D. Tannenbaum, "Will Attitudes Ever Change?" *The School Community Journal*, Spring/Summer 1994, Center for the School Community.

ENVIRONMENT

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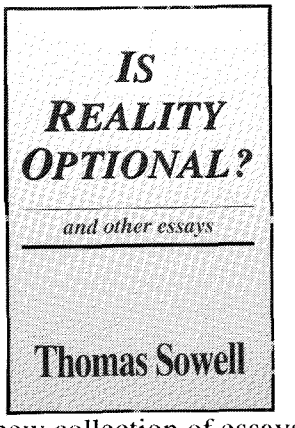
Bibliography on Environment Issues Released. The Competitive Enterprise Institute has released its third annual "Free Market Environmental Bibliography." The 90-page bibliography catalogs books and journal articles on free market environmental theory, public lands/forests/land management, fisheries, water policy, wildlife management, environmental risk, pollution, and other topics.

Cost-Benefit Analysis Recommended. Command-and-control options for reducing motor vehicle emissions vary widely in their likely cost-effectiveness. Mandating the use of reformulated gasoline, for example, might cost between $1,900 and $5,100 per ton of volatile organic compounds (VOCs) reduced; mandating the use of vehicles powered by alternative fuels such as methanol could cost as much as $30,000 to $60,000 per ton of VOCs reduced. Remedies based on economic incentives might prove much less costly; one estimate suggests emissions-based vehicle registration fees would cost just $1,650 per ton of VOCs reduced. Winston Harrington and Margaret A. Walls, "Shifting Gears: New Directions for Cars and Clean Air," *Resources*, Spring 1994. Contact Resources for the Future, 1616 P Street NW, Washington, DC 20036-1400; phone 202/328-5000.

Nevada Case Study in Property Rights. As recently as 1983, the U.S. Supreme Court ruled that water rights in the Newlands Reclamation Project area of Nevada belong to the private owners of the land. Yet the federal government is using the Endangered Species Act and other regulations to deny Nevada farmers and ranchers access to their water. "The core issue in this controversy is . . . not about endangered species, wetlands, and clear water. It is . . . about property rights and government intrusion, *'takings'* of water rights, and state sovereignty." Ernest C. Schank, "Newlands Reclamation Project Water Rights: A Personal Property Issue," 1994, Nevada Policy Research Institute.

New Jersey: The Follies of Mandatory Recycling. In 1987, New Jersey passed its Statewide Mandatory Source

THOMAS SOWELL'S LATEST!



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Separation and Recycling Act. It set a goal of recycling a minimum 25 percent of the total municipal solid waste stream. Today, at an annual cost of $35 million, New Jersey's law results in the recycling of *less than 4 percent* of the target waste stream. Grant W. Schaumburg Jr. and Katherine T. Doyle, "Wasting Resources to Reduce Waste: Recycling in New Jersey," *Policy Analysis No. 202*, January 26, 1994, Cato Institute.

The Importance of Opportunity Cost. The EPA's hazardous waste disposal restrictions would cost $4.2 billion for each life they may save. If this money were used to fight violent crime instead, 47,890 criminals could be imprisoned for an additional three-and-a-half years, and the country would suffer 22,680 fewer violent crimes, 1,035 fewer homicides, 586 fewer rapes, 1,191 fewer sexual assaults, 658 fewer kidnappings, and 7,711 fewer robberies. John C. Shanahan and Adam D. Thierer, "Can We Save Even More Lives? Understanding the 'Opportunity Costs' of Regulation," *F.Y.I.*, February 28, 1994, The Heritage Foundation.

The *Real* Solid Waste Crisis. Government efforts to deal with the municipal solid waste [MSW] crisis, "while sometimes and somewhat useful, are pointless and wasteful when pressed beyond moderate limits. They may even cause net harm to the environment. . . . The true MSW crisis is that U.S. social and political institutional mechanisms have become so inept that they cannot deal with even an issue as trivial as this one." James V. Delong, "Of Mountains and Molehills," *The Brookings Review*, Spring 1994, The Brookings Institution.

GOVERNMENT

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Doing it Better than the Government. Private, non-profit organizations are better than the government at providing basic education, treating substance abuse, relieving poverty, and pursuing medical research. Richard Cornuelle, *Reclaiming the American Dream: The Role of Private Individuals and Voluntary Associations*, paperback, 199 pages, $19.95. Call Laissez Faire Books toll-free at 800/326-0996.

Beyond Unfunded Mandates. State policy makers' vocal opposition to unfunded mandates is only a first step toward renewed state sovereignty. The federal government should return to the states responsibility for such programs as infrastructure, education, and urban mass transit — and then cut federal taxes at the same time. John K. Carlisle, "Optional Federalism: A Federalism Strategy for the '90s," *Essays on Our Times*, February 1994, Free Congress Foundation.

If every man, woman, and child were invoiced for his/her share of the 1994 federal public debt — a total $3.47 trillion — the bill would come to $13,345 apiece — $53,380 for a family of four.

Tax Foundation

How Does Your Governor Compare? Cato Institute policy analysts have developed a 14-point index of fiscal performance against which they've graded 47 state Governors. The grades are based on three elements: how well the Governors have controlled spending; how well they restrained taxes; and their overall fiscal policy. *The best*: Douglas Wilder (VA), Stephen Merrill (NH), and Kirk Fordice (MS). *The worst*: Lowell Weicker (CT), James Florio (NJ), John Waihee (HA), James Hunt (NC), and Thomas Carper (DE). Stephen Moore and Dean Stansel, "A Fiscal Policy Report Card on America's Governors: 1994," *Policy Analysis No. 203*, January 28, 1994, Cato Institute.

Municipalities Cry Foul over Unfunded Mandates. The Illinois General Assembly is considering a state constitutional amendment to make it more difficult for the state to pass unfunded mandates that affect local units of government. By one estimate, some 237 acts passed by the state legislature since 1981 have cost local government over $190 million. Thomas G. Fitzsimmons, "A Call to Action: Stop Unfunded State Mandates," *Illinois Municipal Review*, April 1994. Contact the Illinois Municipal League, 500 East Capitol Avenue, Springfield, IL 62701.

HEALTH

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PolicyFax offers over 150 documents on Health care issues — from nearly a dozen public policy research groups! For a free directory, just call 510/208-8000 and choose item #3 from the main welcome message. Request topic directory 32.

Cost Containment — NOT! "How does Clinton propose to reduce costs in our currently 'overpriced' health care system? By adding 37 million new people to the rolls, expanding benefits for nearly everyone, and creating huge new governmental bureaucracies. Not surprising, Clinton's projected first-year expenditures for national health care are over $1 trillion — *17% higher* than they are under the current 'free market' system that Clinton says 'costs too much' and is 'out of control.'" Jarret B. Wollstein, "Clinton's Health-Care Plan for You: Cradle-to-Grave Slavery: Part I," *Freedom Daily*, January 1994. Contact the Future of Freedom Foundation, 11350 Random Hills Road #800, Fairfax, VA 22030.

Clinton Plan Would Hurt Rural Health Care. Employer mandates, regional alliances, Health Maintenance Organizations, health care rationing — these elements of the Clinton health care proposal would hit rural communities especially hard. What rural America needs most is reform that would empower consumers: Medical Savings Accounts, tax-deductible health insurance for the self-employed, fewer restrictions on alternative health care providers, and malpractice reform. Sandra K. Mahkorn, "Health Care Reform: Considerations for Rural America," *Issues and Answers*, April 13, 1994, Citizens for a Sound Economy Foundation.

Clinton Plan's Catch-22. The Clinton administration's goal of expanding health insurance benefits for most people and reducing health care spending at the same time will be virtually impossible to meet. Either the country will get rationed care (as has happened in Canada, Great Britain, and elsewhere), or it will get substantially higher health care costs and a lower standard of living. *Projection*: Within five years under the Clinton plan, every U.S. household will be spending $1,000 more

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on health care than it does today. The economy will lose $300 billion per year, and there'll be 783,000 fewer jobs by the year 2000. Gary and Aldona Robbins, "Forecasting the Effects of the Clinton Health Plan," *NCPA Policy Report No. 185*, May 1994, National Center for Policy Analysis.

Insurance Should be Individual. Why do many Americans with insurance fear they will lose it? Why can millions more not obtain or afford insurance? Because most health insurance in the U.S. is employer-based. An employer mandate moves us in the wrong direction; the solution is an individual-based system with the following elements: (1) tax code revisions that would encourage families to choose plans outside of employment; (2) incentives to encourage families to enroll in at least a catastrophic plan; (3) tax relief for lower-income families; (4) insurance reform, including elimination of mandated benefits. Stuart M. Butler, "How the Clinton and Nickles-Stearns Health Bills Would Affect American Workers," *Issue Bulletin No. 188*, April 11, 1994, The Heritage Foundation.

Missouri Rejects Bureaucratic Reform. On April 18 the Missouri House of Representatives overwhelmingly rejected Democrat Governor Mel Carnahan's health care reform proposal. The House defeated the measure by a vote of 92-63. Twenty-seven Democrats voted against the proposal "because it was too complex and bureaucratic." "Missouri 'Reform' Bill Soundly Defeated on House Floor," *Full Coverage*, April 22, 1994, Council for Affordable Health Insurance.

Private Sector Controls Health Care Costs. Between 1960 and 1990, private sector spending on health care increased at an average annual rate of just 1.3 percent — while *government* spending on health care increased 4.3 percent per year. In 1960, the government spent half as much on health care as did the private sector; by 1990, government spending on health care exceeded private spending by about 10 percent. John S. Tottie, "Cutting Health Care Costs: A Private-Sector Success Story," *Issues and Answers*, April 4, 1994, Citizens for a Sound Economy.

Kennedy Offers Wrong Direction for Reform. Senator Edward M. Kennedy's recently proposed "twist" on the Clinton health care plan would extend the large-

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The Best Candidate May Be None of the Above!

By Steve Lilenthal

WASHINGTON, DC — Outraged by elected representatives who helped bring about the S&L scandal, a broken promise of "no new taxes," and the House Bank scandal, voters thought they would clean house in 1992. But did they?

Common Cause reported that 93 percent of incumbents seeking reelection in 1992 won. In fact, 167 congressmen seeking reelection were in "financially noncompetitive races." Incumbents received ten times as much PAC money as did challengers.

No wonder, one pollster commented, "Simply put, people are starting to believe that politics and politicians don't get it, and it doesn't matter if they get it or not, because they won't do anything once they get to Washington."

The way to help our politicians "get it" is to give them the competition of "None of the Above" (NOTA).

The way NOTA works is quite simple. On any election ballot, None of the Above "runs" in every race. No more uncontested elections; a candidate always has at least the competition of None of the Above. If a plurality of the voters choose NOTA, then a new election must be held *with new candidates*.

NOTA makes sense, particularly where tight alliances between politicians and special interests prevent elections from being competitive. Voters all too often are left with a choice between a second-rate incumbent and a third-rate challenger. Or, even worse, voters have no choice but to select the second-rate incumbent, because his incumbency perks and war chest stuffed with fat cat contributions prevent him from having any competition whatsoever.

Such a situation occurred in 1989 in the states comprising the former Soviet Union. But a form of NOTA dashed the hopes of rear-guard Communist Party bosses looking to slow down the move toward greater freedom. Voters crossed out the names of candidates they did not want, thus forcing new elections.

> American voters deserve better candidates than they've been getting. And sometimes, they deserve None of the Above.

American voters, too, deserve better candidates than have appeared on their ballots in recent years. They deserve candidates who speak realistically about how to deal with the problems confronting our country. When a candidate pledges himself to a course of action, he or she should mean it.

NOTA is a way to help keep the politicians honest. If nothing else, incumbents will think twice about how they conduct themselves in office for fear of the embarrassment of losing to NOTA.

Few people even knew about term limits in 1989 . . . and look what happened. Today, politicians no longer can count on spending decades in office at public expense. If you're looking for a way to help ensure that politicians stay honest until their term limit sends them home, choose NOTA!

# # #

Steve Lilenthal is with the Free Congress Foundation.

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ly successful Federal Employees Health Benefits Program (FEHBP) to all Americans . . . but only after gutting the program of elements that have made it successful. The FEHBP today is voluntary, and it contains no standardized benefits package, premium caps, or other price controls. Robert E. Moffit, "Kennedy's Bait and Switch Health Reform," *Executive Memorandum*, May 16, 1994, The Heritage Foundation.

At least 98,146 full-time equivalent employees would have to be added to government payrolls at the state, federal, and local levels to comply with the regulatory requirements of the Clinton Administration's proposed Health Security Act.

Multinational Business Services
The Regulatory Requirements of the Health Security Act, March 1994

Medical Savings Accounts in the States. By early April, 10 states had passed legislation that would encourage the creation of Medical Savings Accounts. Similar legislation, either permitting MSAs at the state level and/or encouraging the federal government to pass MSA legislation, is pending in an additional 10 states. *Full Coverage*, April 1, 1994, Council for Affordable Health Insurance.

Pulling the Trigger on Health Care Reform. Unable to attract support for their proposed government takeover of health care, some lawmakers are offering more modest proposals with a decidedly unpleasant aftertaste. Congress might very well enact a "compromise" package of minor insurance reforms that specifies a difficult-to-achieve outcome — say insurance coverage for 95 percent of the population by the year 2000. If the outcome isn't met, a "hard trigger" in the "modest" proposal would *automatically* enact more sweeping reforms . . . without further action by Congress. Stuart Butler, "Why Americans Should Beware Health Reform 'Triggers,'" *Executive Memorandum*, May 16, 1994, The Heritage Foundation.

Reforming Out Waste and Inefficiency. The way we pay for health care today encourages patients to buy more, and more expensive, care than they would if they were spending more out of their own pockets. "A patient may choose a $29,000 operation for ulcers over a $900 drug treatment because the operation only costs the patient $250 out-of-pocket, whereas the entire $900 for drugs may be an out-of-pocket cost." Patients today pay just 21 cents of every medical care dollar out-of-pocket — a third party pays the rest. Gary Robbins, Aldona Robbins, and John Goodman, "Inefficiency in the U.S. Health Care System: What Can We Do?" *NCPA Policy Report No. 182*, April 1994, National Center for Policy Analysis.

States Would Suffer Under Clinton Plan. Economists project that personal income will fall $112 billion *per year* if the Clinton health care proposal is implemented. State and local governments will suffer significant declines in tax revenues as a result. "Nationally, we estimate that more than $17.65 billion in state and local revenue would be lost annually by 1998. In three states [California, New York, and Texas], the estimated annual revenue loss exceeds $1 billion, while in 39 states the loss exceeds $100 million." Richard Vedder and Lowell Gallaway, "Concealed Costs: The Real Impact of the Administration's Health Care Plan on the Economy," March 1994, American Legislative Exchange Council.

Rarely Reported Facts about Hawaiian Health Care. Although Hawaii mandated in 1974 that employers provide health insurance for employees, up to 11 percent of the Hawaiian population remains uninsured (the U.S. average is 13 percent). Total health care spending in Hawaii increased 191 percent between 1980 and 1990 (the U.S. average increase was 163 percent). Health care costs are 8.1 percent of Hawaii's gross state product (compared to the mainland average 14 percent) — but Hawaii's per-capita gross state product is much higher than the U.S. average, and the state's population is younger and lives a more healthy lifestyle. "Other Health Plans: The Grass Just *Looks* Greener," *CounterPoint*, March 1994, Washington Institute for Policy Studies.

"During his eight-year presidency, Thomas Jefferson spent, in 1994 dollars, less than what the government now spends on health care in *one day* — even though Jefferson bought the vast Louisiana territory."

Citizens for a Sound Economy

Sick Would Suffer Under Managed Competition. Managed competition would require competing health plans to charge the same premium to every applicant, regardless of their expected health care costs. As a result, health plans will have an incentive to underprovide services to sick patients needing expensive care. Patients with chronic conditions or in need of costly surgeries — the "hot potatoes" of the health care industry — may find they are getting inadequate care from a health plan that hopes they will switch to a competitor. John Goodman and Gerald Musgrave, "A Primer on Managed Competition," *Policy Report No. 183*, April 19, 1994, National Center for Policy Analysis.

HIGHER EDUCATION

Avoiding University Micromanagement. Ohio universities receive a $9,720 subsidy for every graduate student they teach . . . and a mere $769 for each undergrad. Is it any wonder undergraduate teaching has suffered? Ohio policy makers are attempting to address the imbalance by mandating that universities increase undergraduate teaching activity by 10 percent statewide. Such micromanagement is a lot less likely to work than simply changing the subsidy structure. Dr. Robert Lawson, "Ohio's Higher Education Reforms Misguided," *Perspective on Current Issues*, May 24, 1994, The Buckeye Center.

Preparing for the 21st Century. The University of Wisconsin system — 26 campuses, 160,000 students, and $2 billion in annual expenditures — must fundamentally change its mission, its structure, and its financing if it is to successfully meet the challenges of the 21st century. Daniel J. Alesch, "The University of Wisconsin System: An Agenda for the 21st Century," March 1994, Wisconsin Policy Research Institute.

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Research Report

Washington State Universities Seek Self-Control. A bill before the Washington State legislature would permit universities to increase tuition in years when the state is unable to meet its funding goals; allow four-year institutions to charge program fees for students in popular programs; and permit institutions to keep unspent revenues from one budget to the next. Washington is only one of four states in the country where the legislature sets student tuition. "Higher education bill offers four-year schools more flexibility, local control," *WRC Notebook*, January-February 1994, Washington Research Council.

Government-Run Health Care. The Veterans Health Administration of the U.S. Department of Veterans Affairs has 171 hospitals, 362 outpatient clinics, 128 nursing homes, a $16 billion 1994 budget, and 266,000 employees. Ninety percent of eligible veterans choose private alternatives rather than VHA health care.

Cato Institute

LABOR

Public Sector Employees Have Unfair Advantage. Between 1980 and 1991, state and local government employees received, on average, $4.78 in new compensation for each $1.00 increase received by employees in the private sector. Were it not for this "public pay premium," taxpayers could have paid $51 billion less in state and local taxes, and $30 billion less in federal taxes. Wendell Cox and Samuel A. Brunelli, "America's Protected Class III: The Unfair Pay Advantage of Public Employees," April 1994, American Legislative Exchange Council.

LAW

Legislatures Key in Product Liability Law. In the absence of legislation addressing specific product liability issues, courts can *and do* formulate the law themselves, sometimes with disastrous results. *For example*: the Supreme Judicial Court of Massachusetts, in a *footnote* to a 1992 case, unilaterally eliminated "state-of-the-art" and "culpability of the defendant" as defenses that manufacturers could use against product liability

Regulation

How Fast is Too Fast?

By Russ Swan

NOTTINGHAM, UNITED KINGDOM — How fast should a motorist be allowed to drive his vehicle on public highways, satisfying both the public interest of road safety and the private interest of making acceptable progress?

The question has been vexing legislators and police forces since the introduction of the automobile. For the most part, an unhappy compromise has been reached in most countries: the lawmakers fix a speed limit, and the motorists ignore it. Police forces are then caught in the dilemma of trying to establish how much latitude to allow the speeding driver before pursuing a prosecution.

Proponents of strict speed limits point to the significant reduction in accidents and fatalities on American roads since the introduction of the 55 mph limit (since raised to 65mph on some freeways in some states). The statistics seem to support their view, until one looks at comparable figures from other countries.

In Germany, for instance, autobahn users have never been subject to a general speed restriction. Accidents and fatalities on these roads also have fallen, following the pattern of the American statistics.

In fact, accident rates are falling all over the world, largely as a result of improved automotive engineering. Cars are better designed and better built, and although they are still far from perfect, they are much safer than even ten years ago. Innovations like crumple-zones and air bags make accidents less likely to kill or injure, while anti-lock brakes, improved road holding, and general engineering design make accidents less likely to occur in the first place.

These factors would seem to me to mitigate in favor of less stringent speed restrictions, where conditions allow. There is a world of difference between "fast" driving and "dangerous" driving. I have no respect for drivers who travel faster than they can react — for instance in conditions of poor visibility — they should have the book thrown at them.

> There is a world of difference between fast driving and dangerous driving.

The issue needs to be addressed with some urgency. Machinery can now register the speed of every vehicle on a highway, record its registration number, and prompt a central computer to send out an automatic fine. One British politician recently suggested that these fines should apply according to a formula, where the amount by which the limit was exceeded was multiplied by the distance traveled to produce a compound penalty. This situation could occur tomorrow in any developed country. It would effectively generate two kinds of highway law: one for the rich, who could afford to travel quickly, and another for everybody else. It also begins to look like a hidden form of taxation.

How fast is too fast? Perhaps we should be asking how much taxation is too much.

# # #

Russ Swan is editor of World Highways *magazine; he can be reached at Huntingdon House, 278-280 Huntingdon Street, Nottingham NG1 3LY, United Kingdom.*

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suits. The Massachusetts legislature is now considering a bill that would overturn the ruling. Victor E. Schwartz, "Absolute Product Liability in an Afternoon," *The State Factor*, March 1994, American Legislative Exchange Council.

"If spending on doctors and medical insurance were a private decision, who would care if it was 14 percent of GNP? The GNP includes the income of all American citizens. How they spend it is their business. If we are a rich people, and we are, we can decide to spend more of our money on doctors and less on other things."

Bruce Ramsey
Seattle Post-Intelligencer
March 4, 1994

Protecting Private Property Ownership. In state after state, the regulatory power of government is trampling the legitimate human rights of property owners. Those rights can be protected by state adoption of an "inverse condemnation" law, allowing landowners to sue the government when regulation destroys the value of their property. This booklet is based on a speech by former Vermont State Senator John McClaughry; it contains model legislation and a bibliography. Contact the Institute for Human Rights, GPM South Tower, 800 NW Loop Road #410, San Antonio, TX 78216; phone 210/525-1500.

TAXES

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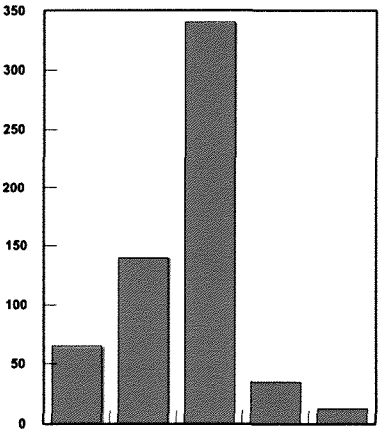
Getting a Handle on Florida State Spending. The demand for government goods and services will always exceed the supply, because governments distribute their services "free of charge" or at fees well below the actual costs of production. State governments thus need mechanisms to regulate taxing and spending. *Recommended for Florida*: a two-step approach that would (a) require voter approval for new taxes or increases in current taxes and (b) limit the growth in state appropriations to the five-year moving average of state income growth. Randall G. Holcombe, "Would Florida Benefit from a Cap on Government Spending?" *Backgrounder No. 11*, 1993, James Madison Institute.

How Will Your District Fare? The Heritage Foundation has compiled estimates of the impact of the Clinton tax increase on every Congressional district in the country. *A big pain*: 39 congressional districts will lose more than $1 billion each over the next five years; one district in New York City alone will have more than $3.4 billion extracted from its economy. Daniel J. Mitchell, "The State and District Impact of the Clinton Tax Increase," *Backgrounder Update*, April 7, 1994, The Heritage Foundation.

Transit Cost Effectiveness
cost, in cents per passenger mile



Source: Congressional Budget Office

TRADE

Bullying the Competition. Although the Big Three automakers recently have managed to out-compete their foreign competition in the marketplace, Detroit's demands for protectionist trade policies have not quieted down much. *Car buyers beware*: In 1994, Detroit will be looking for new import duties (which could raise the cost of a Japanese-made car by as much as $1,700); minivan taxes (the federal government already imposes a 25 percent tax on imported pickup trucks); and caps on sales of U.S.-made vehicles that don't contain a specified level of "U.S. content." Bryan Riley, "Detroit to Sell More Protectionism in 1994?" *Issues and Answers*, April 14, 1994, Citizens for a Sound Economy Foundation.

Pot Calling the Kettle Black. The U.S. Trade Representative's office recently released its annual guide to foreign trade barriers. It fails to mention that *U.S. barriers* to foreign trade are often at least as high. For example: Most American soft drinks are sweetened with corn because U.S. import quotas make it too expensive to use sugar. Many school lunch programs no longer serve peanut butter because import quotas make it too expensive. While the report criticized the Japanese government for spending $8.3 billion to subsidize research programs, the U.S. spent $16.9 billion exclusive of military research. Bryan Riley, "Unfair Trade Barriers: A Look at Some Home-Grown Restrictions," *Issues and Answers*, April 7, 1994, Citizens for a Sound Economy.

You Expect *Government* to Control Costs? Spending for Medicaid — a cooperative effort between the federal and state governments — has risen at *five times* the rate of inflation since 1989.

D. Morgan
The Washington Post
January 30, 1994

TRANSPORTATION

Colorado's Continuing Light Rail Debate. In March, the Independence Institute published an *Issue Paper* challenging the Regional Transportation District's (RTD) plans to build a light rail transit system. To its credit, the RTD took the Institute's challenge seriously and responded with a 28-point reply. With the ball once again in its court, Independence has released a thorough response. The factual give-and-take is essential reading for light rail proponents and opponents alike. Stephen Mueller and Dennis Polhill, "Stop that Train, Part II: A Reply to RTD," *Issue Paper No. 5-94*, May 3, 1994, Independence Institute.

Evaluating Electric Vehicles (EVs). One estimate credits electric vehicles with potential environmental and national security benefits totaling $2,000 per vehicle. *But EVs have disadvantages that are likely to make them unattractive*

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to consumers; thus one estimate suggests that the government may need to subsidize EVs to the tune of at least $8,700 per vehicle to persuade consumers to buy them. Timothy P. Henderson and Michael Rusin, "Electric Vehicles: Their Technical and Economic Status," *Research Study #073*, January 1994. Contact the American Petroleum Institute, 1220 L Street NW, Washington, DC 20005; phone 202/682-8120.

Intrastate Trucking Slow to Deregulate. Transportation deregulation in the 1970s and 1980s left *intra*state trucking largely untouched. Today, intrastate trucking regulations cost consumers and businesses between $5 billion and $12 billion a year; it inhibits innovation, curtails the expansion of markets, reduces competition, and drives up prices. *The cutting-edge*: Only eight states — Alaska, Arizona, Delaware, Florida, Maine, New Jersey, Vermont, and Wisconsin — have largely unregulated intrastate industries. Cassandra Chrones Moore, "Intrastate Trucking: Stronghold of the Regulators," *Policy Analysis No. 204*, February 16, 1994, Cato Institute.

Low Speed Limits Increase Accidents. Research conducted for the Nebraska Department of Roads concludes that roadways experience 5 percent more accidents when their speed limits are set 5 mph below a calculated "reasonable" speed limit. *What's a "reasonable" speed limit?* The Institute of Transportation Engineers recommends consideration of these factors: (1) the prevailing speed of traffic; (2) physical features of the roadway and roadside; (2) accident experience on the roadway; and (4) traffic control and characteristics. Patrick McCoy et al., "Evaluation of Lowered Speed Limits on Urban Highways," University of Nebraska; reviewed by John Semmens, *Document Review*, April 1994. Contact Semmens at the Laissez Faire Institute.

Transportation spending as a percent of GNP fell from 20.7 percent in 1960 to 16.9 percent in 1992. At the same time, passenger miles of travel increased 165 percent, and freight miles of travel increased 127 percent. *Conclusion*: The transportation industry appears to have become more efficient. *Question*: Might deregulation of the interstate trucking and airline industries be responsible?

Shuttle Van Solution. Policy makers hoping to get people out of their cars and into mass transit are missing an important point: People who drive do so because *door-to-door* travel time is important to them. Shuttle vans — like those already in use at many metropolitan airports — offer these die-hard drivers mass transit with door-to-door appeal. *Added benefit*: Shuttle van services, like taxicabs, offer a mechanism for the creation of thousands of entry-level entrepreneurial jobs. Robert W. Poole Jr. and Michael Griffin, "Shuttle Vans: The Overlooked Transit Alternative," *Policy Study No. 176*, April 1994, Reason Foundation.

WELFARE

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Publications on Welfare and related issues are available through ***PolicyFax***. For a free directory, just call 510/208-8000 and choose item #3 from the main welcome message. Request topic directory 92.

Bad Data, Bad Policy. The Census Bureau's poverty data — because they are based on one national poverty threshold and completely overlook differences in the cost of living from one place to another — are essentially useless if our public policy goal is to assist the needy. A Kansan whose income is below the poverty line is actually less "needy" than a Californian whose income is just above the poverty line — but the Census Bureau counts only the Kansan as poor. Paula Duggan, "The Politics of Poverty Data," *Northeast Midwest Economic Review*, April 1994. Contact the Northeast- Midwest Institute, 218 D Street SE, Washington, DC 20003; phone 202/544-5200.

Wanted: Change from Welfare as We Know It. What has welfare reaped since President Lyndon Johnson launched his War on Poverty in 1965? Today, nearly one out of every seven American children is enrolled in Aid to Families with Dependent Children (AFDC). About half of these children will remain on welfare for over 10 years. Welfare accounts for 5 percent of the GNP, up from 1.5 percent in 1965. Two out of every three black children are born out of wedlock; in 1965, it was one of four. And taxpayers have paid some $305 billion to achieve these results. Robert Rector, "Combatting Family Disintegration, Crime, and Dependence: Welfare Reform and Beyond," *Backgrounder*, April 8, 1994, The Heritage Foundation.

According to the U.S. Office of Management and Budget, the private sector spent over *5 billion hours per year* during the 1980s just to meet government paperwork requirements.
Richard Duesenberg
Imprimis, April 1994
Hillsdale College

OTHER TOPICS

Guide to the Internet. The Competitive Enterprise Institute has published a useful guide to the Internet aimed at proponents of the free market and limited government. Promises CEI President Fred Smith, "The Internet is teeming with small-government types — intellectual, technologically aware, individualistic, alienated by the bias of the mainstream media and the intrusiveness of the state." Alexander Volokh and Matthew Hoffman, "The Virtual Hand: CEI's Free-Market Guide to the Information Superhighway," May 11, 1994, Competitive Enterprise Institute.

Minnesota Better Off, Culturally, than Average. On such issues as crime, child poverty, homelessness, infant mortality, teenage pregnancy, teen and young adult suicide, and high school graduation rates, Minnesota has fared better than the national average over the past three decades. *Fair warning*: While current conditions in Minnesota are comparatively better, the state's rate of decline on many measures has been quicker than the national average. Karen L. McLaughlin, "A Minnesota Index of Leading Cultural Indicators," May 1994, Center of the American Experiment.

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Alabama Family Alliance, P.O. Box 59692, Birmingham, AL 35259, 205/870-9900

American Institute for Economic Research, Great Barrington, MA 01230

American Legislative Exchange Council, 214 Massachusetts Avenue NE #400, Washington, DC 20002, 202/547-4646, (fax) 202/547-8142

American Studies Institute, Harding University, Station A, Box 899, Searcy, AR 72143, 800/477-4407, (fax) 501/279-4600

Andrew Jackson Institute, 2704 Twelfth Avenue South, Nashville, TN 37204, 615/383-8284

Arizona Institute, 2700 South Woodlands Boulevard, Suites 300-329, Flagstaff, AZ 86001, 602/526-2597

Atlantic Legal Foundation, 205 East 42nd Street - 9th Floor, New York, NY 10017, 212/573-1960

The Atlas Economic Research Foundation, 4084 University Drive #103, Fairfax, VA 22030-6812, 703/934-6969, (fax) 703/352-7530

The Barry Goldwater Institute for Public Policy Research, 201 North Central, Phoenix, AZ 85004, 602/256-7018

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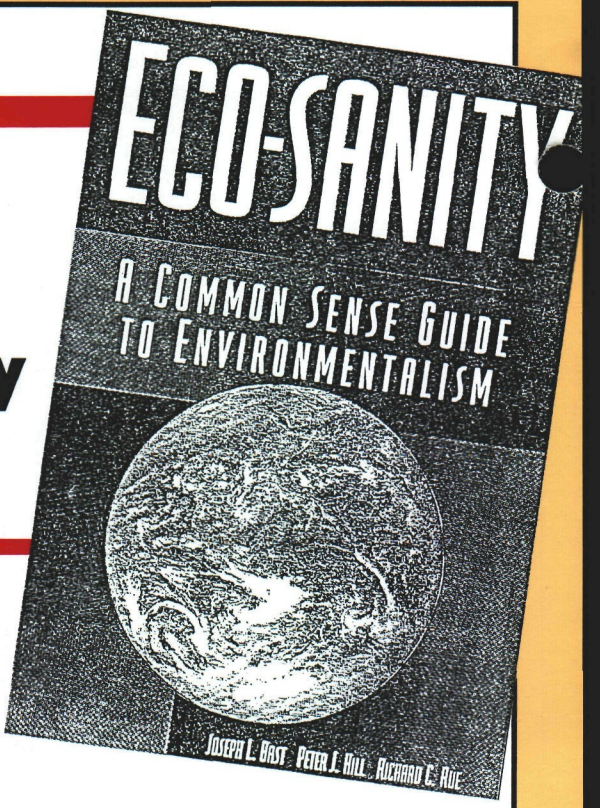

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